

Training the Contracting Officer (CO) of the Future

Our Acquisition Courses Must Reflect the New Role of COs

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There seems to be general recognition that the role of the contracting officer (CO) is changing quite sharply at the present time. With the use of credit cards for micro purchases and other simplified acquisitions, most of the smaller purchases are being made by technical and program people. On the larger purchases, the CO is being told that he or she is now a member of an Integrated Product Team (IPT) and must function as a team player. In addition, the regulations are being rewritten to reduce the number of mandatory rules and to emphasize that the CO is expected to exercise discretion. With all of these changes occurring simultaneously, it seems clear that the CO of the future will play a different role than in the past.

If this is so, we need to sit back and figure out what skills the CO of the future will need to continue to play a meaningful role in the work of the contracting agency. I like to think of these skills as contributions the CO would make at the initial acquisition planning session of the IPT. We then need to assess our training programs to ascertain whether they are equipping COs with these skills. I fear that this assessment will show that current training is sadly lacking. But let's take

a look at the five skills that I think will be essential.

Skill 1— Knowledge of the Rules of the Game

This skill has been the bedrock of the contracting profession. At a public conference in Los Angeles last summer, a CO in the audience summed it up nicely by asking, "If you take away most of the mandatory regulations, how will I keep the technical people honest?" My answer was that if that was the main role of the CO, it wasn't a very high calling. We must know the rules of the game to avoid abuse of the contracting process and carry out the intent of Congress and the policy makers in the Executive Branch, but surely this is a subsidiary part of the job. The rules are merely a means to an end and not the end itself.

But there will still be a lot of detailed rules in the new contracting process, and the CO will be expected to know what they are. This is especially true of the most fundamental rule, which is stated in the Guiding Principles of Federal Acquisition Regulation (FAR) 1.102-2 as follows:

(c) Conduct business with integrity, fairness, and openness. (1) An essential consid-

eration in every aspect of the System is maintaining the public's trust. Not only must the System have integrity, but the actions of each member of the team must reflect integrity, fairness, and openness. The foundation of integrity within the System is a competent, experienced, and well-trained, professional workforce. Accordingly, each member of the team is responsible and accountable for the wise use of public resources as well as acting in a manner which maintains the public's trust. Fairness and openness require open communication among team members, internal and external customers, and the public.

But the Guiding Principles also make it clear that the rules should be kept to a minimum. See FAR 1.102-4 stating:

(e) The FAR outlines procurement policies and procedures that are used by members of the Acquisition Team. If a policy or procedure, or a particular strategy or practice, is in the best interest of the government and is not specifically addressed in the FAR, nor prohibited by law (statute or case law), Executive Order or other regulation, government members of the team should not assume it is prohibited. Rather, absence of direction should be

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interpreted as permitting the team to innovate and use sound business judgment that is otherwise consistent with law and within limits of their authority.

What is the state of training with regard to this skill? My assessment is that this is the one area where our training is adequate. Admittedly, there are some courses where the FAR is taught by rote, and this is close to useless because COs need to know the purpose of the rule and its underlying policy to be able to use it. But most courses on government procurement contain enough discussion of the rules to earn a satisfactory grade in this area.

Skill 2 – Ability to Exercise Sound Business Judgment

If it is correct that we are moving from a world of detailed rules to a world of discretion, it follows that COs must be able to exercise their discretion wisely. This is not a new role for COs that regularly conduct best-value procurements, because they understand that the ultimate source-selection decision is a discretionary one. But many COs have not thought of themselves as discretion exercisers. In the new world of government procurement, this will be one of the essential skills of the contracting profession.

Here the state of training is almost totally inadequate. For some reason, our training programs have almost completely ignored the need to teach COs this skill. Let me quote some highly relevant language from the Executive Summary of Ron Fox's report, "Critical Issues in the Defense Acquisition Culture" (Defense Systems Management College, December 1994):

Notwithstanding a recent, sharp increase in the number of personnel sent to government acquisition courses, most government and indus-

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try managers are disappointed with the quality of government acquisition training. Government managers made frequent references to the heavy emphasis on communicating rules and regulations rather than building business management and judgmental skills in much of their acquisition training. Practitioners expressed a strong need for more practical training in lessons learned, in dealing with dilemmas encountered in acquisition programs, and in developing skills required to work effectively with contractors. Supplying this training does not entail costly or sophisticated computer programs or simulation exercises; it requires the preparation of materials to be read or viewed, and scheduled time for prospective program managers to question and discuss with peers and with experienced acquisition managers, the typical acquisition problems encountered, and promising approaches to mitigating the harmful effects of problems once they arise.

Fine tuning the current approach to acquisition training will not produce the needed changes. The creation of a professional acquisition corps requires a revolution in acquisition training. The "lecture and vugraph" approach to training has been found wanting in every profession, from medicine, law, and business, to aircraft piloting, professional sports, and combat arms. Professional training requires the opportunity to question, discuss, and *practice* the skills one is expected to perform in a profession. It also requires that lessons from actual experience be collected systematically, communicated, and practiced as part

of one's preparation for the profession.

Now Ron was assessing training programs for program managers, but what he says is equally applicable to training programs for COs. In this area, we must change our training to incorporate case studies with adequate time for classes to work the case and critique their responses with knowledgeable professionals.

Skill 3 – Knowledge of Strategy and Tactics

The CO should be conversant with all existing acquisition strategies that have been used to buy comparable products and services and should be able to propose innovative ways to use these strategies and to improve the procurement process. Most COs are well aware of the strategy that has been used by their agency in the past—indeed, most RFPs seem to have been constructed by the cut-and-paste method. But that is not enough. Other agencies are buying the same products or services using different strategies, and they may be doing a better job. For example, one agency may obtain services using a multiple-year indefinite quantity contract, while another agency may accomplish the same result using a single-year contract with options for additional years. COs must know all of the choices.

This is a difficult skill to acquire because little acquisition training is focused on strategy, and most agencies haven't publicized their strategies. However, improvements are occurring in this area. In the past several years, there has been a concerted effort to publish "lessons learned" detailing the strategy that was used in many new and innovative procurements. Much of this information is now available on the Internet. All that remains to be done is to incorporate this information in a methodical way in our training programs.

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Skill 4 – Knowledge of the Market

In my classes I have asked for years, who brings knowledge of the market to the acquisition planning table. The answer, all too frequently, is that the technical people know the market. Well, that may be useful, but it should not be the complete answer. The CO should be fully knowledgeable about all of the facets of the market. He or she should know what companies are selling the products or services the agency buys and what developments are occurring with those products or services in the commercial world. The buying practices of commercial buyers of the same products are also highly relevant to a full understanding of the market. Indeed, in my ideal world, the CO would come to the acquisition planning meeting with a full knowledge of the market (as well as full information on all acquisition strategies), while the technical people would come to the table with full knowledge of the needs of the agency.

In this area, again, our training is woefully inadequate. Perhaps it is because we haven't identified this as a skill necessary for COs, but there is very little training in this area. But it should be an important ingredient in future training programs.

Skill 5 – Ability to Function Successfully As a Team Member

One of the most fascinating things about the Guiding Principles in FAR 1.102 is that they avoid the use of the term "Contracting Officer." They only speak in terms of the "Acquisition Team." Thus, they assume that the CO will function in the future as a member of a team, not as the person responsible for the back end of the procurement process. No more "over the transom" with a procurement request, and the CO runs the show from then on.

This is a new role for many COs. It emphasized the fact that the CO is a member of a service organization, not

an independent actor. Of course, we know that the CO is both—he or she has the independent authority to sign contracts and modifications, but also functions within an organization where others determine how much money to request, what to buy, and how to use what is bought. Thus, the real power in any contracting agency resides in agency management, not in the CO. It is a truism that any CO, in this real-life situation, functions best when acting as a member of the team rather than acting as an independent agent. In our view, the Guiding Principles merely make this truism manifest in regulatory language.

I would argue that this perception of the CO as a member of an IPT is the most important contribution of the Guiding Principles. I would further argue that this *enhances* the role of the CO. If implemented effectively, it brings the CO into the acquisition process at an early stage (program planning and budgeting), and permits full participation in all of the decisions that are made in obtaining a product or service. Of course, it permits other agency personnel to participate fully in the later stages of the process where the CO has previously had the strongest voice. But this is as it should be. In the team concept, each member of the team is entitled to a full voice in each decision—with the ultimate decision being determined on the basis of what is best for the team. The good CO will relish this situation, knowing that he or she can make a major contribution in this free market of good ideas. The CO with no ideas will not do well because other members of the team will quickly learn that the CO has nothing to contribute to the conversation. What is happening is that the CO must lead by knowledge and



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Does our training teach the skills necessary to function as a team member? I doubt it. Most of our training is still based on the assumption that the CO is an independent operator. It is my guess that training in the future will deal with this problem by having the key members of the IPT attend the same training program and address the case studies together. Perhaps there are other ways to teach successful team participation, but this would be a step in the right direction.

The Look of the Future

It seems to me that the future is very bright for the CO functioning as a member of an IPT with all of these skills. I have talked to a number of COs in this situation, and I have yet to find one that didn't relish the role. In reality, a CO with all of these skills would be the logical person to chair the IPT.

The current COs with these skills have acquired them on the job, and perhaps that is to be expected in an environment that has changed as quickly as ours has in the past few years. But it is time for our training programs to catch up with the new reality. All organizations, especially the DoD Consortium Schools that teach acquisition, should review their courses to ensure that they teach these skills. For most organizations, this means integrating case studies into their courses and spending a good bit of class time critiquing and discussing solutions to the problems posed. Instructors will have to be knowledgeable in the new skills as well as in teaching techniques that effectively communicate them. Students will be required to do a considerable amount of homework in analyzing case studies and background materials. We'll all have to work harder, but the results should be worth the effort.